

# Impact of Small Scale Tea Cultivation on Rural Economy: A Case Study on Small Tea Growers of Sivasagar District, Assam

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## Abstract

*In Assam, the small tea cultivation is in an infant stage considering the 160 years old tea industry of the country. The small tea growers have come up in recent years to takes up tea cultivation in individual holdings in Assam. Within a short period of last two decades, small tea cultivation ushered in to an era of evolution brining a long term socio-economic changes in the rural areas of Assam.*

*It has been noticed that during the last decade small tea cultivation has started making inroads among the farmers of Assam. This has made significant contributions to the development of rural economy of Assam. It has changed the surrounding natural environment as well as economic activities of the people directly or indirectly. The small tea cultivation has also created a shift in occupational structure to cash crop. There is a definite shift in cultivation pattern from only rice and cereal crops to cash crop. It has also greatly contributed in changing the socio-economic development of the region.*

*An attempt has been made in this paper to study the present status of small tea cultivation and its impact on rural economy of Sivasagar district, Assam.*

## Introduction

In many tea growing countries of the world, individual farmers cultivate tea on small scale. Tea is cultivated extensively on small scale in some regions of India also, like south India and Himachal Pradesh. In Assam, the small tea cultivation is in an infant stage considering the 160 years old tea industry of the country. The small growers have come up in recent years to takes up tea cultivation in individuals holdings in Assam.

Various organizations speak about what is small tea cultivation. As far as areal extent is concerned it varies considerably. The "Tea Board of India" has defined small tea cultivation as those having plantation of 10.12 hectares (25 acres). The government of Assam strictly declared that a small tea farmer should not have more than 4.28

hectares of tea cultivated land. According to 'All Assam Small Tea Association' those who have minimum area of 33.33 hectares of tea cultivated land are recognized as small tea farmers. Presently this has been changed to those farmers who are having 1.42 hectares of tea cultivated land is recognized as small tea farmers and cultivation is known as small tea cultivation.

It has been noticed that during the last decade small tea cultivation has started making inroads among the farmers of Assam. This has made a significant impact on the pattern of agricultural land use, creation of rural employment opportunities, shift in occupational structure and economic benefit to the people in neighboring areas. It has changed the surrounding natural environment as well as economic activities

of the people directly or indirectly. In many places the traditional cultivation of bamboo forest, sugarcane, orange, pineapple, thatch, vegetable etc. have been replaced by small tea cultivation. It has occupied the areas under ceiling surplus, grazing lands and government fallow lands including their own lands. The virgin high land areas were normally un-utilized for agricultural purposes due to lack of irrigation and accessibility, but for small tea cultivation, these lands are ideal. It has also greatly contributed in changing the socio-economic development of the region.

### Area of the study

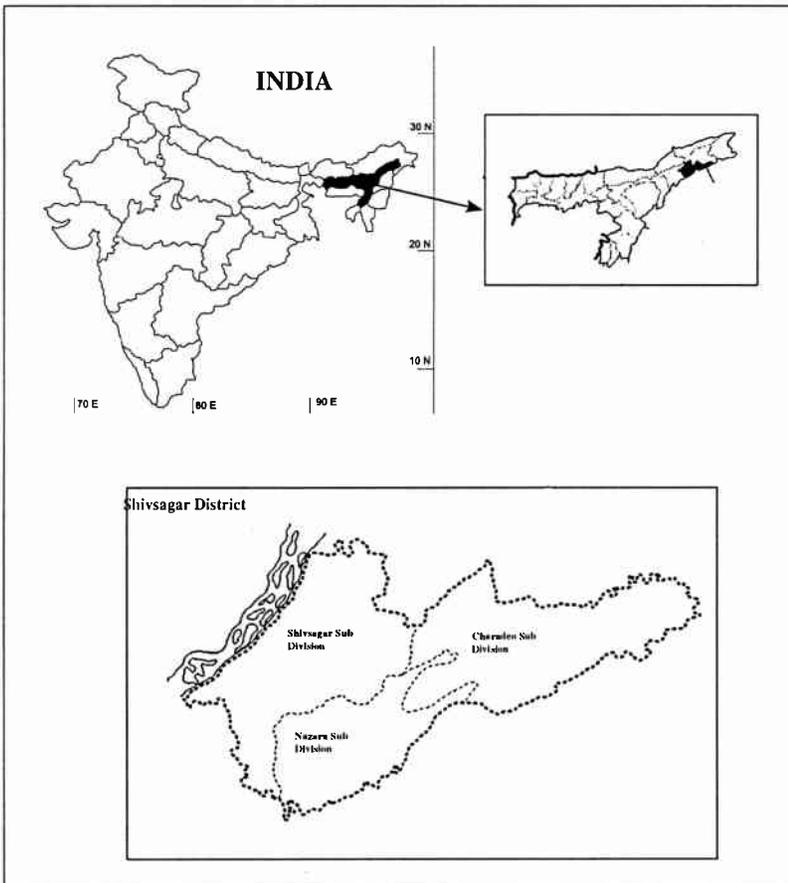
The area for the present study covers the Sivasagar district of Assam (fig. 1). This district is purposively selected because the Sivasagar forms the traditional tea growing tract of Assam. Small tea growers in this district constitute 11.08 percent of the total number of small tea growers of Assam.

### Objectives of the study

The present study was carried out with following objectives:

- a) To study the extension of small tea cultivations in Assam especially in Sivasagar district,

Fig. 1: Location Map



- b) to study the changes in occupational structure and income levels of the farmers and
- e) to study the employment opportunities generated by the small tea cultivations.

### Research questions

The following major research questions were placed before the study:

- a) Has small scale tea cultivation in Assam replaced the existing cropping pattern to mono cropping of tea?
- b) Are these small tea gardens providing better employment opportunity to the people of Assam, especially in Sivasagar district?
- c) Has this occupation shift brought significant economic changes among the small tea growers and the labourers?

### Data base and Methodology

The study is based on data collected from primary and secondary sources. However, the emphasis is given on primary data. Data has been collected from small tea growers having less than 4.00 hectares area under tea cultivation. A stratified random sampling procedure is followed for the present study. The selection of sample tea gardens is made at two stages by applying different criteria.

Field data are collected up to 2006 covering the period 1993-94 to 2005-06. Primary data are collected from the small tea growers. Specific information on the given theme is obtained from small tea growers through field study and questionnaires. Accordingly a schedule is prepared as tool for interviewing the small tea garden owner. Secondary information has been collected

from various published documents and reports of government and semi-government agencies, as well as the bulletin and journals of small tea growers association.

### Findings

The table:-1 is showing a significant change of the working population from business, services and traditional highland crops to small tea cultivation. While the participation rate in small tea cultivation during 1993-94 was 14.83 percent, it is increased to 31.23 percent during 2005-06. On the contrary, the percentage of other workers i.e. business, agriculture and service sectors have decreased. During 1993-94, the percentage of workers engaged in agriculture was 16.37 percent of total working population. But it has decreased to 10.57 percent during 2005-06. It shows that from 1993-94 to 2005-06 the percentage of workers engaged in small tea sector was gradually increasing. But during the same period the percentages of workers engaged in other sectors like business and highland agriculture have decreased.

The shifting of workers from other sectors to small tea sector, especially among the rural people of the study area is mainly associated with scarcity of services, due to already available infrastructure with existing big tea gardens such as market, planting materials, skilled workers and unused or underexploited suitable high land for tea cultivation. Moreover, tea is one of the most profitable cash crops which remains remunerative for a long period. It has caught fancy of the educated unemployed youths who have taken up this profession by choice and not by chance. This has become possible due to status attached to growing tea. It is

Table 1: Distribution of Workers in Revenue Villages (Values in percentage)

Workers Engaged in	Year →	1993-94	2005-06
	Small Tea cultivation		14.83
Other Cultivation		16.37	10.57
Business		12.53	6.88
Service		7.35	6.95
Total Workers		<b>51.09</b>	<b>55.63</b>
Non workers		48.91	44.37

Table 2: Change in proportion of workers in Different sectors (Values as percentage of total Workers)

Year →	1993-94	2005-06	Variation
Tea	29.04	56.13	27.09
Agriculture	32.04	19.01	-13.03
Business	24.53	12.37	-12.16
Service	14.39	12.49	-1.90
Total Workers	100	100	

noticed that during last two decades small scale tea cultivation has become popular among the common farmers of Assam. Later it became a significant development in the history of 160 years of tea cultivation in Assam. Fig 2 shows the distribution of small tea growers in Assam. It clearly indicates their concentration in the Upper Assam areas.”

Table 2 shows the percentage of variation of workers in various sectors.

Table 3 shows that the major sources of income of the sample small tea growers come from agricultural and non-agricultural sources. Major activities from which agricultural income generated are cropping activities besides selling of green tea leaves. The sources of non-agricultural income are mainly business and services. Among different sources in all the size groups, agriculture and its allied activities have the highest share in the total income comprising of 89.81% income.

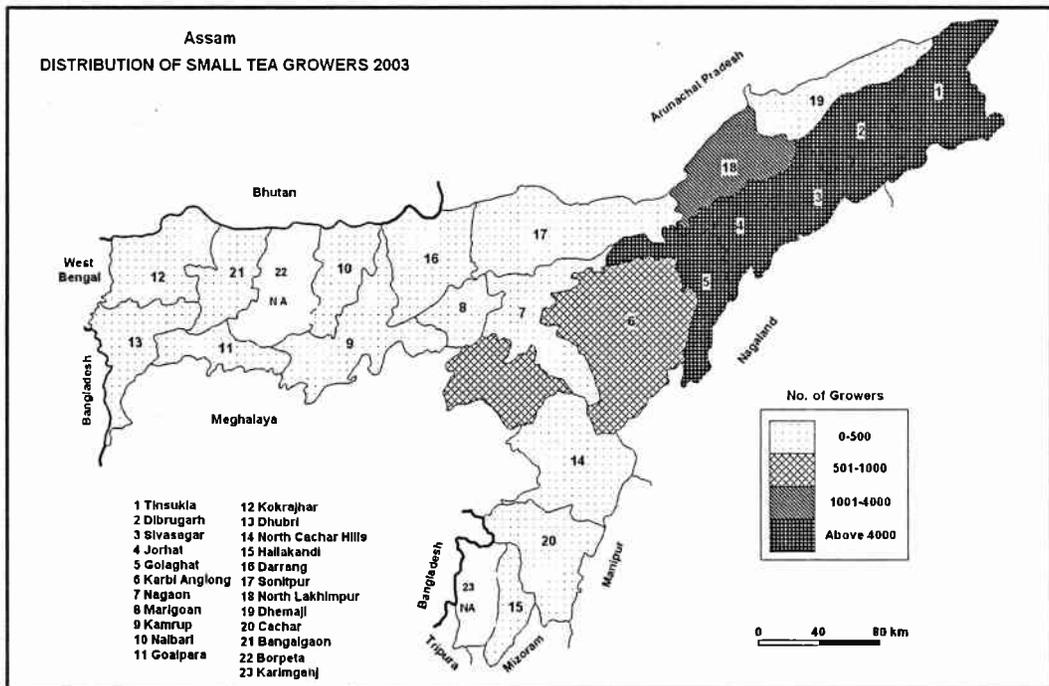


Fig 2: Distribution of small tea growers in Assam

The study also reveals that agriculture is the major and the most important source of income in the area. The most households are dependent mainly on agriculture to maintain their livelihood. Among the agricultural income sources, tea has the highest share comprising of 86.67% of total income of the study area. Very few people are engaged in salaried jobs. The lack of technical skill and know-how, poor development of rural infrastructure, nonexistence of rural industries are the main factors for high dependence on agriculture. Required raw materials for setting up of rural industry are also not available. Hence, the households has to depend mainly on agriculture as the primary source of income, more particularly tea cultivation at present. With the adoption of tea cultivation, growers are motivated to adopt improved cultural practices for traditional crops. Material inputs like HYV seeds, fertilizers, pesticides etc. are being used in rice cultivation. Besides rice, *rabi* crops are also cultivated in small areas.

In addition to providing direct and regular employment to the large population, the small tea cultivation consumes as inputs a varied ranges of product., tea plucking/ carrying baskets, agricultural tools and implements, tea packing chests, house construction materials, fencing materials, fertilizers and pesticides, polythene sheets and sleeves, nylon nettings, tea processing machineries, power generators and agricultural equipments, motor vehicles etc.

Apart from supporting many small ancillary industries that have grow up in the towns in the neighbourhood of tea estates, the small tea cultivation has made significant contribution to the growth of fertilizer and plywood industry in this region. In and around tea gardens local markets are established providing an outlet for these products the local farmers.

Any account of the Indian tea industry will remain incomplete without mentioning about the invaluable contributions made

Table 3: Contribution of different sectors in income pattern  
(Values in italics indicate percentage)

Size group	Number of Sample		Agricultural income			Non-agricultural income			Total	Average Annual income Per Household (in Rs.)
	Household	Population	Tea	Other crops	Total agricultural income	Business & other profession	Services & Wages	Total non agricultural income		
I	2	3	4	5	6 (4+5)	7	8	9 (7+8)	10 (6+9)	11
I	80	480	4865095 <i>81.45</i>	297497 <i>4.98</i>	5162592 <i>86.43</i>	140385 <i>2.35</i>	670264 <i>11.22</i>	810649 <i>13.57</i>	5973241 <i>100</i>	74,665.51
II	69	454	6812036 <i>86.05</i>	268364 <i>3.39</i>	7080400 <i>89.44</i>	136161 <i>1.72</i>	699807 <i>8.84</i>	835968 <i>10.56</i>	7916368 <i>100</i>	1,14,729.97
III	57	367	6532688 <i>89.91</i>	174224 <i>2.4</i>	6706912 <i>92.31</i>	76223 <i>1.05</i>	482746 <i>6.64</i>	558969 <i>7.69</i>	7265881 <i>100</i>	1,27,471.60
IV	37	297	5702424 <i>88.63</i>	126105 <i>1.96</i>	5828529 <i>90.59</i>	75277 <i>1.17</i>	530158 <i>8.24</i>	605435 <i>9.41</i>	6433964 <i>100</i>	1,73,890.92
Total	243	1598	23912243 <i>86.67</i>	866190 <i>3.14</i>	24778433 <i>89.81</i>	428046 <i>1.55</i>	2382975 <i>8.64</i>	2811021 <i>10.19</i>	27589454 <i>100</i>	1,13,536.85

by the Toklai Experimental Station, Jorhat towards its development. The Small Tea Growers Advisory Program of Assam Agricultural University has made tremendous impact. It provides technical guidance to small tea growers. It also serves as a main centre for spreading - popularizing tea cultivation amongst the farmers on small scale. It undertakes as activities of both technical and non-technical nature, by maintaining close liaison with the agencies responsible for development of this crop on a peasantry level.

### Conclusion

Considering all the aspects discussed above, It is seen that Small scale tea cultivation provides ample avenue to self employment engaging family member directly. It has virtually stopped the migration of rural workers in to urban centres, especially in the Sivasagar district. Besides the direct employment it has created indirect employment in the field of manufacturing and supply of garden implements, transportation of green leaf and agro-chemicals.

Small tea cultivation helps in utilization of human labour. It has brought significant economic changes among the rural people of upper Assam especially in Sivasagar district.

Among different income sources of growers, agriculture and its allied activities have the highest share to the total income. Again among the agricultural income sources tea has the highest share to total income.

Socio-economic changes have taken place among the rural people of Sivasagar district. Basic amenities like source of

fuel cooking, source of lighting, housing conditions, source of drinking water etc. have been changed among the growers. The urban life style is being slowly introduced among the rural people of the area depending on economic conditions and educational advancements. Improvement of economic condition combined with the increasing impact of urbanization and modernization has also brought a considerable change in the house hold amenities.

It is clear that there has been considerable influence of the small tea cultivation in raising the socio-economic status of the rural people. After all the introduction of small scale tea cultivation may be considered as a boon to the rural economy of upper Assam. To achieve long term benefits it would be worthwhile to develop strategies and implement them with right earnest.

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